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# REVERSE AUCTION PROGRAM

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## Purchase Order Terms and Conditions



OCTOBER 23, 2020

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**REVERSE AUCTION PROGRAM**  
**Uniform Physical Condition Standards (UPCS) Inspection Services**  
**PURCHASE ORDER TERMS AND CONDITIONS**  
**Effective: February 13, 2020**

**1.0 Terms and Conditions**

These terms and conditions apply to all purchase orders issued by the U.S. Department of Housing and Urban Development, Office of Public and Indian Housing (PIH) Real Estate Assessment Center (REAC) under its Uniform Physical Condition Standards (UPCS) inspection services Reverse Auction Program (RAP).

HUD may revise these terms and conditions as necessary (e.g., to comply with revisions to the Federal Acquisition Regulation (FAR) and HUD Acquisition Regulation (HUDAR)). In the event HUD makes revisions, an updated version of this document will be posted to the REAC website. Revisions will clearly indicate the date of effectiveness. The version of the terms and conditions in effect at the time HUD issued the purchase order shall remain in effect for the duration of the order unless HUD formally modifies the order in accordance with the clause at FAR 52.243-1, Changes-Fixed Price Alternate I (see Attachment 1). Therefore, the contractor should download the version in effect when the purchase order is awarded.

**1.1 Definitions**

“Contractor” means the legal entity to which the purchase order is awarded. The contractor shall be legally responsible for all work performed and for complying with all terms and conditions of the purchase order. The contractor must be considered a small business for NAICS code 541350.

“Inspector” is defined as the individual who is certified by REAC in the UPCS inspection protocol. The inspector conducts the on-site property inspections in accordance with HUD rules, notices, regulations, laws, guidance, standards and conventions identified by HUD as well as by the Federal Government. An inspector may be a contractor, employee of a contractor, a subcontractor (at any tier) to a contractor, or an employee of a subcontractor.

“Inspector Administration” (IA) means the program that issues certification to inspector candidates upon their successful completion of classroom and field testing and oversees the performance of inspectors who perform inspections for PIH-REAC, both through inspection contractors and for lenders of HUD-insured multifamily properties. IA monitors inspectors who are certified to conduct Uniform Physical Condition Standards (UPCS) inspections of properties that are owned, insured or subsidized by HUD to ensure inspectors adhere to the UPCS protocol and code of conduct. IA also collaborates closely with the REAC Physical Assessment Subsystem (PASS) Physical Inspection division and the Quality Assurance division (QA) to monitor UPCS certified inspectors to ensure UPCS inspections are conducted within a pre-defined acceptable quality level. In monitoring the certification of inspectors, IA issues guidance, e.g., notices, investigates complaints, issues performance deficiencies and de-certifies inspectors.

The terms “purchase order” and “contract” are synonymous for purposes of these terms and conditions.

“Price” means the amount set forth in the contractor’s winning bid for an inspection or lot of inspections.

## **1.2 Contractor Status**

The contractor is an independent, private entity performing the services described herein under contract to the Government and is not an agent of HUD or the Federal Government. In no case, shall the contractor or any of its employees or subcontractors identify or represent themselves as agents or representatives of HUD or the Federal Government.

## **1.3 Period of Performance**

The period of performance of the purchase order will be the period indicated in the offering statement and in the electronic purchase order award notification issued to the contractor. The contractor shall complete all work and submit all inspection results by the end of that period. The contractor may not exceed the period of performance without approval from REAC or the HUD Contracting Officer.

The Contractors should only bid on work that can be completed within the period of performance and are responsible for bidding in good faith. Once the awards are finalized, the contractor must provide a proposed inspection schedule that indicates all awarded inspections are scheduled within the period of performance. Extension requests will only be considered for extenuating circumstances and if the Scheduling Protocol as described in paragraph 5.0 has been followed. In the event of an extenuating circumstance, the contractor must send a formal request to extend the purchase order period of performance through HUD’s Secure Systems. In order for the request to be considered, the following conditions must be met: the inspection must have been scheduled in accordance with paragraph 5.0 of this document; the request must have been received before the end of the performance period; and a rationale for the extension must be provided. REAC will review the extension request to determine whether all the requirements were satisfied and the submitted rationale justifies the extension. If an extension is not granted, the contractor will be responsible for completing the inspection work by the performance period end date; otherwise the work may be terminated for default.

## **2.0 Scope of Services**

The contractor shall be responsible for the performance of all work required for inspections as described herein for the bid price accepted by the Government via the RAP for the awarded inspections. The contractor shall provide all equipment, transportation, and other services and materials as needed to complete the work.

## **3.0 Technology Requirements**

The contractor shall have:

- All necessary hardware and software to communicate via email; and
- Internet access that supports electronic transmission of property profile data and inspection results.

- The latest version of the UPCS software and/or REAC-sponsored software

The contractor shall ensure that the hardware used for the inspection work is compatible with the HUD-provided UPCS software and HUD's Secure Systems. HUD will not compensate the contractor for upgrades to or replacement of hardware or software. See also the clause at HUDAR 2452.239-71, Information Technology Virus Security.

The contractor is responsible for downloading the latest version of HUD-provided UPCS or REAC-sponsored software prior to performing inspections.

#### **4.0 Communications Between REAC and Contractors**

The contractor shall ensure that REAC is able to contact the contractor and any of the contractor's inspectors via email and telephone. REAC will use email as its primary means of communication regarding the purchase order (award, cancellation, extension, etc.).

General email communication to REAC should be sent to the RAP inbox at:  
[ReacReverseAuctionProgram@hud.gov](mailto:ReacReverseAuctionProgram@hud.gov).

Inspection Schedules and Revised Schedules should be emailed to RAP at:  
[InspectionSchedules@hud.gov](mailto:InspectionSchedules@hud.gov)

The Technical Assistance Center (TAC) can be contacted at:  
1-888-245-4860; or [REACTAC@hud.gov](mailto:REACTAC@hud.gov)

For issues relating to COVID-19, email:  
[COVID19InspectionInquiry@hud.gov](mailto:COVID19InspectionInquiry@hud.gov)

#### **4.1 Contact Information and SAM Account Maintenance**

The contractor shall maintain current information in the System for Award Management (SAM), including banking information (see paragraph 9.1). The contractor's payments are dependent upon the information in SAM. As a result, contractor payment may be delayed if the SAM registration has expired or any information is inaccurate. The contractor should provide REAC with any alternate contact information not available in SAM. The contractor is responsible for the accuracy of all information provided to REAC and SAM.

The contractor shall email the RAP inbox with any changes to its email address or other contact information. The contractor shall provide any changes to previously provided contact information to REAC as soon as they are known.

In addition, the contractor is responsible for ensuring that its inspectors maintain current contact information in HUD's Secure Systems.

## **4.2 Failure to Maintain Contact**

The contractor shall respond within three business days to communications from REAC. Repeated failure of the contractor to maintain contact with, or respond to, REAC may result in the termination of the contract. HUD does not assume responsibility for inaccurate contact information.

## **5.0 Scheduling Protocol**

Once the purchase order awards have been finalized and the results uploaded into Secure Systems, the contractor shall schedule the inspections according to the following guidelines.

Inspections should occur during normal office hours and not be conducted on weekends, locally-observed holidays, or Federal holidays (please see paragraph 10.7 Observance of Federal Holidays, for a detailed list of government-observed holidays). The inspector should not enter units prior to 9:00 a.m. or after 6:00 p.m.

### **Special Requirements Relating to COVID-19 and Testing:**

The Contractor shall ensure schedule inspections in areas that show a low-risk health criticality score i.e., GREEN for no less than *six* consecutive weeks according to Johns Hopkins University and Harvard's Global Health Institute unless otherwise directed by REAC and HUD and/or specified in the auction statement. The Contractor can track the State COVID Health risks on REAC's webpage at: [https://hud.gov/program\\_offices/public\\_indian\\_housing/reac](https://hud.gov/program_offices/public_indian_housing/reac).

Contractors must understand that scheduling and conducting inspections during a pandemic such as COVID19 poses a risk to the health and safety of contractors and/or inspectors. Contractors are responsible for educating themselves and inspectors on the risks and responsibilities of scheduling and conducting inspections in a pandemic such as COVID-19 and other life-threatening health and safety conditions. Contractors will be responsible for knowing local restrictions relating to COVID19 and adhering to local restrictions when conducting inspections. Contractors and/or inspectors must wear personal protection equipment (PPE), such as face masks and gloves and use hand sanitizer on all inspections. In addition to wearing PPE when conducting inspections, contractors must maintain social distancing throughout the inspection. Contractors must keep abreast of new HUD requirements relating to PPE and COVID-19 during the period of performance and adhere to new guidance in addition to the specified instructions in the auction announcements and local restrictions.

The Contractor shall inquire of any reported COVID-19 cases at the property when scheduling the inspection and any local ordinances, requirements, restrictions and prohibitions relating to COVID19 per property when scheduling an inspection with the property owner or property representative to assess the PPE requirements for each inspection. The contractor shall research local restrictions; obtain the additional personal protection equipment needed by the inspector and ensure the inspector adheres to HUD requirements as well as local ordinances, requirements, restrictions and prohibitions relating to the pandemic and related threats to the health and safety of the contractors and/or inspectors, residents, property staff, observers and all persons present during the inspection. In addition to asking if there are any reports of COVID19 at the time of scheduling, the contractor shall contact the property two days prior

to the start of the inspection to inquire if conditions relating to COVID19 have changed and report all issues that may prohibit the inspection from proceeding due to: [Covid19Inspectioninquiry@hud.gov](mailto:Covid19Inspectioninquiry@hud.gov) . See the revised format for Email Confirmation letters in Attachment 2, Attachment 2a, Attachment 3 and Attachment 3a.

### COVID19 Testing of Inspectors

RAP contractors shall ensure that inspectors are tested for COVID19 prior to their first inspection and every 30 days thereafter until otherwise directed by HUD. The contractor shall ensure that an inspector carries proof of his or her current test results to each inspection and shows proof of a negative test result to the PHA, POA and/or property representative prior to the start of the inspection.

The contractor shall ensure that an inspector who has tested positive for COVID19 on the most recent test or a test dated no more than 30-days from the start of the an inspection is prohibited from conducting inspections until the inspector is retested and can show proof of a negative test result prior to conducting an inspection. The contractor shall be responsible for monitoring their inspector pool to ensure each inspector meets HUD's 30-day COVID19 testing requirement prior to conducting an inspection.

**Important:** HUD reserves the right to increase the 30-day COVID-19 testing requirement for all inspectors to a 15-day testing requirement for all inspectors within the period of performance; therefore, contractors should bid with the full expectation of meeting a 15-day testing requirement for all inspectors in lieu of a 30-day testing requirement within the period of performance. Contractors shall submit bids during the auction that include the cost of fulfilling HUD's 15-day testing requirement.

When submitting bids during an auction, contractors shall include all costs relating to fulfilling HUD's requirements for conducting physical inspections, including all costs for fulfilling HUD's special requirements relating to COVID19 including ongoing testing of the inspector pool.

### Scheduled Inspection Dates

The contractor will be required to provide the POA/ED two opportunities for an inspection. The first opportunity will be given to the POA/ED two calendar weeks prior to the inspection date. The second opportunity will be a date within seven days of the first inspection date. To facilitate this requirement, the contractor will develop a schedule of all awarded inspections with both inspection opportunities using the template provided by REAC. The schedule should be provided to REAC within ten calendar days after the awards are finalized unless otherwise directed by HUD. It is expected that inspections will be conducted on one of the two dates provided in this schedule. Any subsequent changes to the schedule must be approved by REAC as soon as the contractor is aware of the need for a change.

The schedule should include enough time to allow for reasonable contingencies such as unexpected travel time, weather-related and other delays, calls to TAC for profile issues, and other issues related to completing the work. REAC will review the schedule and provide feedback or recommendations if it appears not enough time has been allotted to conduct a quality inspection.

## Providing the Two Inspection Opportunities:

1. Call the POA/ED exactly two calendar weeks (14 days) prior to the inspection to notify the property of the inspection date. The contractor should provide the details of the inspection and confirm the property profile. If there is a holiday, the contractor should notify the property the day proceeding or following the holiday, thus providing a 13-day or 15-day notification to the property.
  - a. If the property agrees to the first inspection date, send an email to the property representative and all available email addresses and copy the RAP inbox with a confirmation of the inspection schedule using the template provided in Attachment 2: Email for First Inspection Date Confirmation. Enter the inspection date in Secure Systems and include a comment that this is the first inspection opportunity.
    - i. Three business days prior to the confirmed first inspection date, send a reminder email to the POA/ED and all available addresses and copy REAC using Attachment 2a.
    - ii. If, prior to the first inspection date, the POA/ED informs the contractor that they will not allow the inspection to go forward, the contractor should provide the second inspection date that was recorded in the schedule sent to REAC. If the POA/ED agrees to the date, the contractor should then send a new confirmation email using the template provided in Attachment 3: Email for Second Inspection Date Confirmation. Scheduler should then be updated with the new inspection information and a comment entered to indicate that this is the second inspection opportunity. If the POA/ED refuses the second inspection opportunity, the contractor should tell the property that they will report both inspection refusals to HUD, and the property will receive an inspection score of zero, which will be the inspection score of record.
    - iii. If the inspector is on-site for the first inspection date and the property refuses to allow the inspection to go forward, the inspector should obtain a TAC number and report the name of the property representative refusing the inspection. The contractor should provide the second inspection date that was recorded in the schedule sent to REAC.
      1. If the property agrees to the second inspection date, the contractor should send a new confirmation email to the POA/ED and copy REAC using the template provided in Attachment 3: Email for Second Inspection Date Confirmation. Scheduler should then be updated with the new inspection information and a comment entered to indicate that this is the second inspection opportunity.
      2. If the POA/ED refuses the second inspection opportunity, the contractor should tell the property that they will report both inspection refusals to HUD, and the property will receive an inspection score of zero, which will

be the inspection score of record.

- b. If during the initial call to notify the property of the inspection, the POA/ED does not agree to the first inspection date, the contractor should inform the property that they will record the rejection of the initial inspection date as the first refusal, and then provide the second inspection date that is within seven calendar days of the first inspection date and that was provided in the schedule initially sent to REAC.
  - i. If the property agrees to the second inspection date, the contractor should email the POA/ED and all available addresses and copy REAC with a confirmation of the inspection schedule using the template provided in Attachment 3: Email for Second Inspection Date Confirmation. The contractor should then enter the first inspection date in Secure Systems and enter a comment that this date was refused and include the name of the property representative, then reschedule to the second inspection date and add a comment that this is the second inspection opportunity.
  - ii. Three business days prior to the confirmed second inspection date, send a reminder email to the POA/ED and all addresses available and copy REAC using the template in Attachment 3a.
  - iii. If, prior to the second inspection date, the POA/ED informs the contractor that they will not allow the inspection to go forward, the contractor should tell the property that they will report to HUD that this as the second inspection refusal, and the property will receive an inspection score of zero, which will be the inspection score of record. The contractor should notify TAC of the second refusal and report the name of the property representative refusing the inspection. The inspection should be uploaded as unsuccessful with the TAC number(s) and a comment stating that this was the second inspection attempt.
  - iv. If the inspector is on-site for the second inspection date and the property refuses to allow the inspection to go forward, the inspector should obtain a TAC number and report the name of the property representative refusing the inspection. The contractor should tell the property that they will report both inspection refusals to HUD, and the property will receive an inspection score of zero, which will be the inspection score of record. The inspection should be uploaded as unsuccessful with the TAC number(s) and a comment stating that this was the second inspection attempt.
2. If at any time in the process, the POA/ED refuses the inspection dates because they are undergoing substantial rehabilitation, the contractor should inform the property that the inspection date is expected to go forward unless the property receives an approved waiver/postponement from HUD prior to the scheduled inspection date. The contractor should enter the inspection information into Secure Systems. It is important that the contractor enter a comment that the property is requesting a postponement or cancellation. The contractor should then email the POA/ED and all available addresses and copy REAC with the appropriate confirmation of the inspection schedule (Attachment 2 or 3).

3. Report any changes to the property profile, particularly those that may affect the duration of the inspection or sample size, as outlined in paragraph 5.3.
4. If the contact information is incorrect the contractor should call TAC, and if TAC cannot provide contact information the incident will be escalated to RAP staff. If any email addresses are available (such as the owner or executive director), the contractor should send the appropriate notification email (Attachment 2 or 3) and copy REAC. The contractor should also enter the inspection schedule information into Secure Systems with a comment that the contact information is inaccurate and include the TAC number.

Any exceptions to the above requirements must be approved by REAC via email. If approved, the contractor shall retain a copy for six months.

A contractor who does not adhere to these scheduling protocols may be prohibited from participating in auctions for up to six months depending upon the severity and frequency of the violation.

5. Contractors shall not violate REAC's 14-Day Notification policy when scheduling inspections or changing inspection dates (see Attachment 5). It is the contractor's responsibility to ensure property representatives are notified of an inspection no more than two weeks prior to an inspection date for the first inspection. The second inspection shall occur within seven days of the first, refused inspection date.

### **5.1 Nondisclosure Agreement**

The contractor is responsible for ensuring that all staff and inspectors (including sub-contractors) that have knowledge of the inspection schedule sign a Certification of Nondisclosure annually. The certification is Attachment 4 of this document. Upon request the contractor must provide an up-to-date copy of the signed Certification of Nondisclosure to HUD.

### **5.2 Property Profile Verification**

During the call to notify the property of the inspection, the contractor shall verify with the POA/ED the accuracy of the following property profile data:

- The property name and ID;
- The total number of buildings and units subject to REAC inspection; and
- Any other data provided by REAC for the inspection, such as the name and address of the owner and management agent, email address, and phone numbers.

The building and unit data provided during the auction and in the purchase order award should be used as a guide for the profile verification.

It is also recommended to request measurements for parking lots and other outdoor areas to

assist the inspector in properly recording this information on the day of the inspection.

### **5.3 Property Profile Discrepancies**

If the contractor learns of discrepancies in the profile information when notifying the property, the contractor should call TAC. TAC should be able to resolve the discrepancy and provide the correct building and unit information or escalate the issue to REAC staff. If the discrepancy affects the estimated duration of the inspection by more than a day, the contractor should call TAC and have the call escalated to RAP staff. If it is found that the inspection has historically taken more than a day longer than the estimate provided, HUD may cancel the inspection before 72 hours. Otherwise the inspector will conduct the inspection using the correct profile for the awarded price.

### **5.4 Changes to the Inspection Schedule**

The schedule provided by the contractor ten days after finalization of the awards will serve as the inspection schedule of record. Changes to the inspection schedule for the convenience of the property should not be considered by the contractor. Contractors must adhere to the guidance provided in paragraph 5.0. If the property calls to change the inspection schedule, the contractor should contact REAC immediately. Contractors shall not violate the 14-Day Notification policy when there is a change to the inspection schedule. For example: if a property contacts the contractor to change the day of the inspection date, the contractor must ensure the inspection does not occur more than two-weeks and seven days from the day of the day of notification.

REAC will notify the contractor if any changes to the schedule are warranted.

Changes to the inspection schedule for unexpected circumstances, such as severe weather, illness of the inspector, etc. should occur infrequently, and must be accepted by REAC. It is expected that scheduling changes from such an occurrence shall be conducted within seven days of the original inspection date. The contractor should notify REAC as soon as the need for the change is realized. If the inspection date and time is changed within three business days of the previously scheduled date, the contractor must call TAC. If the change is not accepted by REAC, the inspection may be terminated for default. Any contractor with a termination for default may be prohibited from participating in auctions for up to six months.

### **5.5 Failure to Inspect on Scheduled Date and Time**

If the contractor fails to have an inspection conducted at the date and time that was provided to REAC, and did not follow the protocol outlined in paragraph 5.0 and 6.0, HUD may:

- accept the inspection for the reduced price shown in paragraph 8.2; or
- terminate the inspection for default, and no payment would be authorized.

Repeated failure to conduct inspections on the date and time scheduled without proper notification and approval, may result in a prohibition of participating in auctions for up to six months.

### **5.6 Inspector of Record**

The inspector who conducts the inspection must be the inspector identified in the Scheduling information provided to REAC and in Secure Systems. If a change in inspector is needed, the contractor should send an updated schedule to REAC and ensure Secure Systems is updated.

## **5.7 Uninspectable Properties**

When the property representative is notified of the inspection and indicates the property is: no longer in HUD's inventory; not due for an inspection; undergoing substantial rehabilitation; or buildings and units are off-line or not inspectable; the contractor should inform the property representative that they will report the information to HUD and if HUD confirms an inspection is not required the date will be cancelled, but if an inspection is required it is expected to occur on this date. The contractor should then enter the inspection date and report the inspection as "Uninspectable" in the Secure Systems Inspection Oversight Module. The contractor should include relevant information such as the name and telephone number of the property representative, a brief explanation as to why the property is uninspectable, and a TAC reference number if one was obtained. The contractor should also email the inspection notification (Attachment 2 or 3) to the all available addresses for the property and copy REAC.

If HUD determines an inspection is required, the inspection status will be changed to Verified Inspectable, and the inspection is expected to occur on the specified date. Once the contractor receives the verification, the contractor should contact the property and send the reminder email to all addresses available to the property and copy REAC.

If HUD determines an inspection is not required, the inspection status will be changed to Verified Uninspectable, and the contractor is not required to take further action on the inspection and is authorized payment in accordance with paragraph 8.3.

## **5.8 Cancellations**

Cancellations can only be authorized by REAC, and an inspection may be cancelled at any time. In such cases, REAC will notify the contractor via email. The contractor is responsible for ensuring the POA/ED and inspector is notified of the cancellation. See paragraph 8.5 for payment terms.

If a property contacts the contractor to cancel an inspection, the contractor should inform the property that only REAC can authorize a cancellation, and the inspection is expected to occur unless REAC cancels the inspection. The contractor should tell the property to contact their field office immediately, and the contractor should enter a comment in Secure Systems Inspection Oversight but not remove the inspection date. Unless the contractor is notified by REAC of the cancellation, it is expected that the inspection occur on the specified date.

## **6.0 Inspections**

### **6.1 UPCS Protocol**

The Contractor shall ensure the inspector complies with all UPCS certification requirements and findings issued by REAC's Inspector Administration. The contractor shall be familiar with all UPCS-

associated HUD Inspector Notices and Inspector Guides and shall incorporate this guidance into its procedures when performing the work and ensure inspector personnel adhere to the latest revisions to the UPCS protocol. The Contractor shall abide by the actions taken and the decisions rendered by Inspector Administration relating to inspector personnel and inspector certification when conducting inspections. The Inspector Administration Website can be found:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/products/pass/inspectors](https://www.hud.gov/program_offices/public_indian_housing/reac/products/pass/inspectors)

The Contractor and the inspector are responsible for being knowledgeable of the latest inspection protocol requirements in effect at the time of an inspection and incorporate the latest protocol when conducting inspections. This includes all HUD rules, guidance, notices instructions, bulletins, and standards, including the latest additions to the UPCS Protocol relating to COVID-19 issued by Inspector Administration in Inspector Notice 2020-01, dated 09/29/2020. Other examples are the inspector insurance requirements and the protocol for inspecting units with bed bugs.

Contractors will be notified in advance about inspections that are required to be conducted using a modified protocol, such as for the New York City Housing Authority or the Puerto Rico Housing Authority. If a modified protocol is required, it is the contractor's responsibility to ensure the assigned inspector is aware of, and abides by, the modifications. A pre-bid conference call may be required in order to bid in such an auction.

The Compilation Bulletin and other guiding documentation for UPCS protocol is available at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/library/lib\\_phyi](https://www.hud.gov/program_offices/public_indian_housing/reac/library/lib_phyi)

### **6.1.1 Property Representation**

In accordance with UPCS protocol, a property representative must accompany the inspector during the entire inspection. When a representative is unavailable for a confirmed inspection, the contractor must call TAC for a reference number.

If the inspection is the first opportunity, the contractor must provide the property with the second inspection opportunity that is within seven days of the first inspection date and that was recorded in the inspection schedule provided to REAC.

If the inspector completes an inspection without the presence of property representative, the inspection will be rejected and a re-inspection may be required as described in paragraph 7.6.

### **6.1.2 Errors in Property Profile or Sample Size**

If any discrepancies in the profile are discovered on the day of inspection, TAC must be called so the issues can be resolved prior to the inspector creating the sample.

If the inspector fails to accurately verify the profile or uses an incorrect sample size, the

inspection results will not be accepted by REAC and a re-inspection may be required as described in paragraph 7.6.

### **6.1.3 Observed Health and Safety Hazards**

In accordance with UPCS protocol, at the conclusion of each day's inspection activities, the inspector shall provide the property representative with a written notice of any exigent health and safety hazards that the inspector observed and recorded. The inspector must obtain a signature from the property representative on the form that acknowledges receipt prior to leaving the property.

The form for this notification is provided as Attachment 4 in the RAP Business Rules: Notification of Exigent and Fire Safety Hazards. No modification of this form is allowed.

### **6.2 Two Inspection Attempts**

The property will be given two inspection opportunities. As outlined in paragraph 5.0 Scheduling protocol, the contractor will call the POA/ED two calendar weeks prior to the first inspection date to notify the property of the inspection. If the property agrees to the first inspection date, and the inspector arrives on-site but the property refuses the inspection, the contractor must provide a second inspection date that is within seven days of the first attempt. The contractor should call TAC and report the on-site refusal and the name of the property representative. The contractor should also enter the second inspection date in Secure Systems and enter a comment that the first inspection date was an on-site refusal.

If the property refuses the second inspection date, the contractor should inform the property they will report the refusal to HUD and the property will receive an inspection score of zero. If the property will still not agree to the second inspection date, the inspector should upload the inspection as unsuccessful and provide the TAC number. Once the inspection is verified as unsuccessful, payment will be made in accordance with paragraph 8.0, Payment Terms.

If the property agrees to the second inspection date, the contractor should send a new inspection confirmation email (Attachment 3) to all available addresses for the property and copy REAC. The contractor should update Secure Systems and include the name of the property representative who agreed to the inspection and send an updated schedule to REAC.

If the inspector arrives on-site for the second time and the property representative refuses the inspection or the inspection cannot be completed because of the property representative's actions, the contractor should call TAC to report the second on-site refusal. The inspector should upload the inspection as unsuccessful. In the unlikely event there are two on-site attempts due to property refusal, the contractor will receive 100 percent of the awarded price.

### **6.3 Inspector Code of Conduct**

UPCS-certified inspectors must adhere to the Inspector Code of Conduct as administered by REAC's Inspector Administration, which can be viewed at:

[https://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/reac/products/pass/inspectors](https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/reac/products/pass/inspectors).

## **7.0 Post-Inspection**

### **7.1 Uploading Inspection Results**

In accordance with UPCS protocol, an inspection must be uploaded within 24 hours of completing the inspection.

### **7.2 REAC Inspection Review**

Each inspection is subject to a review by REAC to ensure the product is acceptable. The review includes, but is not limited to, verification of the property profile, analysis of inspection observations, timestamp data analysis, and inspections conducted by HUD's Quality Assurance (QA) inspectors. REAC may request and consider feedback from field offices, owners, tenants, and POA/Eds, and use any other method REAC deems appropriate in making its assessment of the quality of the inspection. An inspection may be placed on hold pending the results of a QA inspection or awaiting requested feedback.

This review will be the basis for REAC's acceptance or nonacceptance of the inspection.

### **7.3 Quality Assurance**

QA reviews will be used to monitor and evaluate the inspector's performance and inspection quality to determine compliance with UPCS protocol.

#### **7.3.1 Quality Assurance Inspection (QAI)**

A scheduled inspection may be selected for a QAI inspection in which a HUD QA inspector conducts a full inspection for comparison with the contract inspection. The QAI inspection is conducted on the same day or within a few days of the contract inspection. Each UPCS inspector will be subject to an QAI inspection.

If the comparison finds that the contract inspection does not meet REAC standards, the inspection will be considered: acceptable, unacceptable or unsuccessful. The contractor will receive an email and is authorized payment in accordance with Section 11.0 Quality Assurance Review and Payment Schedule. REAC will then provide the inspector with training tailored to address the concerns identified in the comparison in order to strengthen the inspector's knowledge and skills. This may include a training inspection conducted with a QA inspector.

If the comparison finds the contract inspection did meet REAC standards, the inspection will be considered successful. The contractor will receive an email and is authorized payment of full bid price.

If the comparison finds the contract inspection was excellent (meets standards at 90% or greater), the contractor may receive an incentive payment in addition to the full bid price. The

contractor will receive an email and is authorized payment of the full bid price plus the amount of the incentive payment, which will be specified in the offering statement (refer to paragraph 8.6).

### **7.3.2 Quality Control Inspection (QCI)**

After an inspection has been uploaded, an inspection may be selected for a QCI inspection review in which a HUD QA inspector conducts a full inspection for comparison with the contract inspection.

If the comparison finds that the contract inspection does not meet REAC standards, the inspection will be considered unacceptable. The contractor will receive an email and is authorized payment in accordance with paragraph 8.4. REAC will then provide the inspector with training tailored to address the concerns identified in the comparison in order to strengthen the inspector's knowledge and skills. This may include a training inspection conducted with a QA inspector.

If the comparison finds the contract inspection did meet REAC standards, the inspection will be considered successful. The contractor will receive an email and is authorized payment of full bid price.

If the comparison finds the contract inspection was excellent (meets standards at 90% or greater), the contractor may receive an incentive payment in addition to the full bid price. The contractor will receive an email and is authorized payment of the full bid price plus the amount of the incentive payment, which will be specified in the offering statement (refer to paragraph 8.6).

### **7.3.3 Collaborative Quality Assurance (CQA)**

A CQA inspection is a training tool used to strengthen and reinforce the inspector's skills and knowledge with regard to UPCS protocol. A HUD QA inspector performs this review side-by-side with the inspector while a contract inspection is being conducted.

HUD QA staff may contact the contractor to schedule a CQA inspection with a specific inspector and/or inspection.

## **7.4 Successful Inspection**

An inspection is considered to be successful when the inspector completes the inspection, uploads the results, and the inspection is reviewed and accepted by REAC.

## **7.5 Unsuccessful Inspection**

An inspection is considered to be unsuccessful when the inspector uploads an incomplete, refused, or poor quality inspection. Examples include, but are not limited to:

- The property representative cannot provide access to the buildings or units required for inspection;
- An insufficient sample of units is available for inspection;
- No property representative is available on-site to accompany the inspector;
- A property representative refuses or halts an inspection before it is completed;
- The POA/ED failed to notify all residents prior to the inspection; or
- An uploaded inspection that does not pass REAC's review.

#### **7.5.1 Verification of Unsuccessful Inspection**

When the inspector is on-site and unable to complete an inspection, TAC must be called immediately. TAC will provide a reference number which must be included in the inspection upload.

If REAC verifies the inspection was unsuccessful, the contractor will receive an email and will be authorized payment in accordance with paragraph 8.4.

If REAC verifies that two on-site inspection refusals occurred, the contractor will be authorized for payment of 100 percent of the awarded bid price.

#### **7.6 Required Re-inspections**

REAC will notify the contractor by email if an inspection is rejected and a re-inspection is required. The email will specify the particular property, the nature of the inspector's errors or omissions, and a new inspection identification number for the re-inspection. The re-inspection shall be completed within the timeframe established by REAC and may require a HUD QA inspector to be present. The re-inspection is subject to all requirements of the original inspection, including scheduling and written notification as outlined within this document.

In cases in which REAC requires a re-inspection, the rejected inspection work is not subject to payment until REAC determines that the required re-inspection is acceptable. When a re-inspection is required, the contractor shall re-inspect the property at no additional cost to HUD (see *Inspection/Acceptance* clause in Attachment 1).

#### **7.7 Late Inspections**

An inspection is considered late if the contractor fails to complete and upload the inspection results by the end date of the period of performance of the purchase order. REAC may elect to not accept a late inspection or to accept it at the reduced price set forth in paragraph 8.2.

### **8.0 Payment Terms**

#### **8.1 Accepted Inspection**

As total compensation for each inspection accepted by REAC (see the *Inspection/Acceptance* clause in Attachment 1), HUD will pay the contractor the price accepted as the successful bid in the

auction. The price shall be inclusive of all contractor costs of performance (such as travel expenses).

If an accepted inspection is considered late, the inspection may be paid at the reduced rate described in 8.2.

## **8.2 Late Inspection**

A late inspection is not subject to full payment unless the contractor can prove to REAC's satisfaction that the cause for late delivery or deficient performance was due to circumstances beyond the contractor's control.

If REAC elects to accept a late inspection, the contractor shall be paid 50 percent of the contractor's price for the inspection. If REAC elects to not accept a late inspection, the contractor shall be paid nothing.

If REAC elects to accept and pay for an inspection when the contractor failed to conduct the inspection on the date and time scheduled (see paragraph 5.5), the contractor shall be paid 50 percent of the contractor's price for the inspection.

## **8.3 Uninspectable Property**

HUD will pay the contractor 75 dollars for each VU property (see paragraph 5.7).

## **8.4 Unsuccessful Inspections**

HUD will pay the contractor 50 percent of the contractor's price for each verified unsuccessful inspection

If an inspector has been on-site for both inspection opportunities and both inspections were unsuccessful because the property representative refused the inspections to proceed, the contractor shall be paid 100 percent of the awarded price. (see paragraph 7.5.1).

## **8.5 Cancelled Inspection**

If REAC cancels an inspection (see paragraph 5.8), the contractor shall be paid:

- 50 percent of the contractor's price if REAC cancels within 72 hours of the scheduled inspection starting time.
- 75 dollars if REAC cancels 72 hours or more hours before the scheduled inspection starting time.

## **8.6 Incentive Payment**

If the contractor receives an email notification that an inspection was found to be of excellent quality and is eligible for an incentive payment, the contractor shall be paid the contractor's price plus the incentive price.

The incentive price for each auction will be specified in the offering statement for that auction.

## **8.7 Invoices**

Payment terms for each inspection in a final status will be Net 30. Invoices will be paid within thirty days. The upload of the inspection shall be considered the Contractor's submission of an invoice for payment.

When an inspection is reported uninspectable the report date will be deemed the submission of the invoice. REAC will determine if an inspection is verified uninspectable (VU) or verified inspectable (VI) within thirty days.

## **8.8 Overpayments**

If the Contractor sends the Government a check to remedy a duplicate payment or an overpayment by the government, it will be converted into an electronic funds transfer (EFT). This means the Government will copy the check and use the account information on it to electronically debit the Contractor's account for the amount of the check. The debit from the Contractor's account will usually occur within 24 hours and will be shown on the regular account statement.

The Contractor will not receive the original check back. The Government will destroy the Contractor's original check but will keep a copy of it. If the EFT cannot be processed for technical reasons, the Contractor authorizes the Government to process the copy in place of the original check.

## **8.9 Quality Assurance Reviews**

The contractor will receive a reduction of the full bid price when the contractor's or inspector's performance is determined by HUD to be marginally acceptable or unacceptable. See 11.0, Quality Assurance Review and Payment Schedule.

## **9.0 Payment Method**

### **9.1 Direct Deposit**

Payment will be made by Direct Deposit by HUD's shared service provider for financial management, the Department of the Treasury's Administrative Resource Center (ARC).

It is the Contractor's responsibility to keep information in SAM current to ensure timely payment of invoices. REAC may combine payment for multiple inspections into one direct deposit. When an inspection invoice is approved for payment, the Contractor will be informed via email from [pass.payment@hud.gov](mailto:pass.payment@hud.gov).

### **9.2 Payment Questions**

For questions regarding the payment process, payment terms, or the status of any payment, the contractor should contact TAC.

## **10.0 Prohibitions**

The contractor is responsible for ensuring inspections are not conducted by inspectors that are prohibited as described below.

### **10.1 Re-inspection of Same Properties**

The inspector shall be ineligible to conduct an inspection of any property inspected under this contract for a period of twelve months, except for re-inspections required in accordance with the *Inspection/Acceptance* clause. The period of ineligibility shall begin on the date of REAC's acceptance of the property inspection conducted under this contract.

### **10.2 Conflict of Interest**

The contractor is responsible for ensuring the inspector of record has no conflict of interest or perceived conflict of interest.

#### **10.2.1 Financial Interest**

An inspector may not inspect any property in which the contractor, inspector, business associate, or immediate family member of the contractor or inspector has a financial interest in its ownership or management. This includes employees of the property owner or manager and members or directors of a property's board of commissioners.

#### **10.2.2 Non-Financial Interest**

An inspector may not inspect any property if the inspector or contractor has a non-financial interest in the property, or a relationship with the owner or manager of the property, that would compromise the inspector's or contractor's objectivity. Such relationships may include, but are not limited to: current resident of the property; former employee of the property owner whose employment was terminated for cause; non-paid member of the board of commissioners that governs the property; an individual with pending or recent litigation against the property owner or manager; or an individual who has a pending or recent grievance or complaint filed against the property owner or manager.

#### **10.2.3 Other Work**

An inspector may not inspect any property in which the contractor, inspector, business associate, or immediate family member of the contractor or inspector has performed any other work of any nature, either under contract or via any other arrangement for the property or the property owner or manager, with the limited exception for pre-REAC inspections and consulting services completed more than 12 months before the assigned inspection.

The contractor shall require a certification from the inspector that the inspector has not performed any pre-REAC inspections or consulting services within 12 months on any properties that have been assigned as a result of a RAP auction (if the inspector is also the Contractor, then he/she will complete the certification and file it accordingly). This certification will be maintained by the contractor for a period of three years and made available to HUD upon request.

#### **10.2.4 Obscured Objectivity**

An inspector may not inspect a property where there is any other condition, situation or relationship that exists where the objectivity of the inspector or contractor may be called into question.

#### **10.3 Future Involvement with Property Owners**

The contractor shall not provide training or consulting services to any public housing authority, multi-family property owner, or other property-type owner whose property the contractor has inspected during the time period from the issuance date of the purchase order through twelve months after the purchase order expiration date.

#### **10.4 Property Repairs**

The inspector shall not repair any conditions found during inspections, or endorse, recommend, or otherwise advise the use of specific individuals or business firms for such repair work.

#### **10.5 Soliciting and Selling Other Products and Services**

Neither the contractor nor the inspector shall solicit the sale of, nor sell, any other services or items (e.g., pre-REAC consultation, smoke detector stickers, etc.) to the POA/ED or tenants during the scheduling phase or during the inspection.

#### **10.6 Elimination and Mitigation Conflicts of Interest of Prohibited Activities**

The contractor shall take steps to promptly eliminate or mitigate a conflict of interest or other prohibited activity, including removing an inspector from any inspection where the inspector has such a conflict or is prohibited. The burden shall be on the contractor to prove that a conflict of interest has been eliminated or mitigated to HUD's satisfaction.

If the contractor cannot eliminate or mitigate a conflict of interest or other prohibited activity to HUD's satisfaction (e.g., if an inspector has a conflict of interest and the contractor has no other inspector available to conduct the inspection), the contractor may request to forfeit the inspection.

If the contractor does not take satisfactory action to mitigate a conflict of interest or other prohibited activity, the inspection may be terminated for default.

#### **10.7 Observance of Federal Holidays**

The contractor shall ensure that an inspection does not occur on any of the following observed Federal holidays:

- New Year's Day;
- Martin Luther King, Jr. Day;
- Presidential Inauguration Day;
- Washington's Birthday;
- Memorial Day;
- Independence Day;
- Labor Day;
- Columbus Day;
- Veterans Day;
- Thanksgiving Day;
- Christmas Day; or
- Any other day designated as a Federal holiday, or as a holiday for Federal employees by Federal law, Executive Order or Presidential Proclamation.

See the Office of Personnel and Management website ([www.OPM.gov](http://www.OPM.gov)) for specific dates of observed Federal holidays. Observances of such days shall not be cause for any extension of the period of performance of the purchase order.

## **11.0 Quality Assurance Review and Payment Schedule**

**Per Section 7.2, REAC Inspection Review**, the contractor's performance in the Reverse Auction Program is subject to a quality assurance methodology that includes: field monitoring, site visits, statistical modeling, financial auditing and an overall technical review of the contractor's adherence to HUD's regulations, policies and procedures.

In addition to the contractor's performance relating to scheduling, timeliness, customer service and equitable bidding practices, each inspection is subject to a review by REAC to ensure the product meets HUD's quality standards. The review includes, but is not limited to, verification of the property profile, analysis of inspection observations, timestamp data analysis, and inspections conducted by HUD's Quality Assurance (QA) inspectors.

REAC may request and consider feedback from field offices, owners, tenants, and properties, and use any other method REAC deems appropriate in making its assessment of the quality of the inspection. An inspection may be placed on hold pending the results of a QA inspection or when awaiting requested feedback. An inspection that does not meet HUD's standards is subject to non-payment or a reduction in payment.

This review will be the basis for REAC's acceptance or nonacceptance of the inspection.

### **Quality Assurance**

QA reviews will be used to monitor and evaluate the inspector's performance and inspection quality to determine compliance with UPCS protocol.

## 11.1 Quality Assurance and Payment Terms

Type of Quality Assurance Review	Description of QA Activity	Frequency of Review	Possible Findings	Payment Terms
<b>7.3.1 Quality Assurance Inspection (QAI)</b>	A full inspection that replicates the original inspection for comparison with the contract inspection. The QAI inspection is conducted within 5 business days of the contract inspection and is intended to determine if the inspector performed an inspection meeting REAC's acceptable quality levels. A Quality Assurance Inspection is conducted by HUD QA.	As determined by HUD	ACCEPTABLE  MARGINALLY ACCEPTABLE  UNACCEPTABLE	100% PAYMENT  50% PAYMENT  75.00 PAYMENT WITH A RECOMMENDATION TO CONTRACTOR FOR ADDITIONAL TRAINING
<b>7.3.2 Quality Control Inspection (QCI)</b>	A full inspection on a previously completed contract inspection to determine if the contract inspection is a true representation of the physical condition of the property. This inspection may occur up to 30-days after the original inspection. An independent inspection conducted by HUD QA.	As determined by HUD	ACCEPTABLE  UNACCEPTABLE	100% PAYMENT  50% PAYMENT WITH A RECOMMENDATION TO CONTRACTOR FOR ADDITIONAL TRAINING
<b>7.3.3 Collaborative Quality Assurance (CQA)</b>	A collaborative inspection for the purpose of providing as-needed, on-site training of the inspector. A CQA is used to assess the inspector's strengths and weaknesses and reinforce the inspector's skills and knowledge regarding the UPCS protocol. A HUD QA inspector performs this review side-by-side with the inspector while a contract inspection is being conducted.	As determined by HUD	WITHIN-STANDARD (WS)  OUT-OF-STANDARD (OS)	100% PAYMENT  100% PAYMENT WITH A RECOMMENDATION TO CONTRACTOR FOR ADDITIONAL TRAINING

## **12.0 Federal Acquisition Regulation (FAR) and HUD Acquisition Regulation (HUDAR) Purchase Order Terms and Conditions**

See Attachment 1.

## **Attachment 1**

### **Small Business Set-Aside Program**

The North American Industry Classification System (NAICS) code for this purchase order is 541350. The small business size standard is \$8,000,000.00.

### **Federal Acquisition Regulation (FAR) Clauses**

#### **52.219-6 Notice of Total Small Business Set-Aside. (November 2011)**

(a) *Definition.* “Small business concern,” as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) *Applicability.* This clause applies only to-

(1) Contracts that have been totally set aside or reserved for small business concerns; and

(2) Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).

(c) *General.* (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.

(2) Any award resulting from this solicitation will be made to a small business concern.

(d) *Agreement.* A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

(End of clause)

#### **52.213-4 Terms and Conditions – Simplified Acquisitions (Other Than Commercial Items) (Oct 2019)**

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses that are incorporated by reference:

(1) The clauses listed below implement provisions of law or Executive order:

(i) [52.203-19](#), Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (*Jan* 2017) (section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions)).

(ii) [52.204-23](#), Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018) (Section 1634 of Pub. L. 115-91).

(iii) [52.204-25](#), Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment. (Aug 2019) (Section 889(a)(1)(A) of Pub. L. 115-232).

(iv) [52.222-3](#), Convict Labor (*Jun* 2003) (E.O.11755).

(v) [52.222-21](#), Prohibition of Segregated Facilities (*Apr* 2015).

(vi) [52.222-26](#), Equal Opportunity (*Sept* 2016) (E.O.11246).

(vii) [52.225-13](#), Restrictions on Certain Foreign Purchases (*Jun* 2008) (E.O.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

(viii) [52.233-3](#), Protest After Award (*Aug* 1996) ([31 U.S.C.3553](#)).

(ix) [52.233-4](#), Applicable Law for Breach of Contract Claim (*Oct* 2004) (Pub.L.108-77, 108-78 ([19 U.S.C. 3805 note](#))).

(2) Listed below are additional clauses that apply:

(i) [52.232-1](#), Payments (*Apr* 1984).

(ii) [52.232-8](#), Discounts for Prompt Payment (*Feb* 2002).

(iii) [52.232-11](#), Extras (*Apr* 1984).

(iv) [52.232-25](#), Prompt Payment (*Jan* 2017).

(v) [52.232-39](#), Unenforceability of Unauthorized Obligations (*Jun* 2013).

(vi) [52.232-40](#), Providing Accelerated Payments to Small Business Subcontractors (*Dec* 2013)

(vii) [52.233-1](#), Disputes (*May*2014).

(viii) [52.244-6](#), Subcontracts for Commercial Items (*Aug* 2019).

(ix) [52.253-1](#), Computer Generated Forms (*Jan* 1991).

(b) The Contractor shall comply with the following FAR clauses, incorporated by reference, unless the circumstances do not apply:

(1) The clauses listed below implement provisions of law or Executive order:

(i) [52.204-10](#), Reporting Executive Compensation and First-Tier Subcontract Awards (*Oct* 2018)(Pub. L. 109-282) ([31 U.S.C. 6101 note](#)) (Applies to contracts valued at \$30,000 or more).

(ii) [52.222-19](#), Child Labor-Cooperation with Authorities and Remedies (*Oct* 2019) (E.O.13126) (Applies to contracts for supplies exceeding the micro-purchase threshold.)

(iii) [52.222-20](#), Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (*May* 2014) ([41 U.S.C.chapter 65](#)) (Applies to supply contracts over \$15,000 in the United States, Puerto Rico, or the U.S. Virgin Islands).

(iv) [52.222-35](#), Equal Opportunity for Veterans (*Oct 2015*) ([38 U.S.C.4212](#)) (applies to contracts of \$150,000 or more).

(v) [52.222-36](#), Equal Employment for Workers with Disabilities (*Jul 2014*) ([29 U.S.C.793](#)) (Applies to contracts over \$15,000, unless the work is to be performed outside the United States by employees recruited outside the United States.) (For purposes of this clause, “United States” includes the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.)

(vi) [52.222-37](#), Employment Reports on Veterans (*Feb 2016*) ([38 U.S.C.4212](#)) (Applies to contracts of \$150,000 or more).

(vii) [52.222-41](#), Service Contract Labor Standards (*Aug 2018*) ([41 U.S.C.chapter 67](#)) (Applies to service contracts over \$2,500 that are subject to the Service Contract Labor Standards statute and will be performed in the United States, District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnston Island, Wake Island, or the outer Continental Shelf).

(viii)

(A) [52.222-50](#), Combating Trafficking in Persons (*Jan 2019*) ([22 U.S.C. chapter 78](#) and E.O 13627) (Applies to all solicitations and contracts).

(B) Alternate I (*Mar 2015*) (Applies if the Contracting Officer has filled in the following information with regard to applicable directives or notices: Document title(s), source for obtaining document(s), and contract performance location outside the United States to which the document applies).

(ix) [52.222-55](#), Minimum Wages Under Executive Order 13658 (*Dec 2015*) (Applies when [52.222-6](#) or [52.222-41](#) are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia)).

(x) [52.222-62](#), Paid Sick Leave Under Executive Order 13706 (*Jan 2017*) (E.O. 13706) (Applies when [52.222-6](#) or [52.222-41](#) are in the contract and performance in whole or in part is in the United States (the 50 States and the District of Columbia.))

(xi) [52.223-5](#), Pollution Prevention and Right-to-Know Information (*May2011*) (E.O. 13423) (Applies to services performed on Federal facilities).

(xii) [52.223-11](#), Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (*Jun 2016*) (E.O. 13693)(applies to contracts for products as prescribed at FAR [23.804\(a\)\(1\)](#)).

(xiii) [52.223-12](#), Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners (*Jun2016*) (E.O. 13693) (Applies to maintenance, service, repair, or disposal of refrigeration equipment and air conditioners).

(xiv) [52.223-15](#), Energy Efficiency in Energy-Consuming Products (*Dec 2007*) ([42 U.S.C. 8259b](#)) (Unless exempt pursuant to [23.204](#), applies to contracts when energy-consuming products listed in the ENERGY STAR® Program or Federal Energy Management Program (FEMP)) will be-

(A) Delivered;

(B) Acquired by the Contractor for use in performing services at a Federally-controlled facility;

(C) Furnished by the Contractor for use by the Government; or

(D) Specified in the design of a building or work, or incorporated during its construction, renovation, or maintenance).

(xv) [52.223-20](#), Aerosols (*Jun 2016*) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons as a propellant or as a solvent; or contracts for maintenance or repair of electronic or mechanical devices).

(xvi) [52.223-21](#), Foams (*Jun 2016*) (E.O. 13693) (Applies to contracts for products that may contain high global warming potential hydrofluorocarbons or refrigerant blends containing hydrofluorocarbons as a foam blowing agent; or contracts for construction of buildings or facilities.

(xvii) [52.225-1](#), Buy American-Supplies (*May 2014*) ([41 U.S.C. chapter 67](#)) (Applies to contracts for supplies, and to contracts for services involving the furnishing of supplies, for use in the United States or its outlying areas, if the value of the supply contract or supply portion of a service contract exceeds the micro-purchase threshold and the acquisition-

(A) Is set aside for small business concerns; or

(B) Cannot be set aside for small business concerns (see [19.502-2](#)), and does not exceed \$25,000).

(xviii) [52.226-6](#), Promoting Excess Food Donation to Nonprofit Organizations (*May 2014*) ([42 U.S.C. 1792](#)) (Applies to contracts greater than \$25,000 that provide for the provision, the service, or the sale of food in the United States).

(xix) [52.232-33](#), Payment by Electronic Funds Transfer-System for Award Management (*Oct 2013*) (Applies when the payment will be made by electronic funds transfer (EFT) and the payment office uses the System for Award Management (SAM) as its source of EFT information).

(xx) [52.232-34](#), Payment by Electronic Funds Transfer-Other than System for Award Management (*Jul 2013*) (Applies when the payment will be made by EFT and the payment office does not use the SAM database as its source of EFT information).

(xxi) [52.247-64](#), Preference for Privately Owned U.S.-Flag Commercial Vessels (*Feb 2006*) ([46 U.S.C.App.1241](#)) (Applies to supplies transported by ocean vessels (except for the types of subcontracts listed at [47.504\(d\)](#))).

(2) Listed below are additional clauses that may apply:

(i) [52.204-21](#), Basic Safeguarding of Covered Contractor Information Systems (*Jun 2016*) (Applies to contracts when the contractor or a subcontractor at any tier may have Federal contract information residing in or transiting through its information system.

(ii) [52.209-6](#), Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (*Oct 2015*) (Applies to contracts over \$35,000).

(iii) [52.211-17](#), Delivery of Excess Quantities (*Sept 1989*) (Applies to fixed-price supplies).

(iv) [52.247-29](#), F.o.b. Origin (*Feb 2006*) (Applies to supplies if delivery is f.o.b. origin).

(v) [52.247-34](#), F.o.b. Destination (*Nov 1991*) (Applies to supplies if delivery is f.o.b. destination).

(c) FAR [52.252-2](#), *Clauses Incorporated by Reference* (*Feb 1998*). This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

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[Insert one or more Internet addresses]

(d) *Inspection/Acceptance*. The Contractor shall tender for acceptance only those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights-

(1) Within a reasonable period-of-time after the defect was discovered or should have been discovered; and

(2) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(e) *Excusable delays*. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence, such as acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity,

fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(f) *Termination for the Government's convenience.* The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that the Contractor can demonstrate to the satisfaction of the Government, using its standard record keeping system, have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred that reasonably could have been avoided.

(g) *Termination for cause.* The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(h) *Warranty.* The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(End of clause)

## **52.243-1 Changes-Fixed Price Alternate I (APR 1984)**

### **HUD ACQUISITION REGULATION (HUDAR) CLAUSES**

2452.203-70 Prohibition Against the Use of Federal Employees (DEC 1992)

2452.209-72 Organizational Conflicts of Interest (APR 1984)

## **2452.239-71 Information Technology Virus Security (FEB 2000)**

- (d) The contractor hereby agrees to make every reasonable effort to deliver information technology products to HUD free of known computer viruses. The contractor shall be responsible for examining all such products prior to their delivery to HUD using software tools and processes capable of detecting all known viruses.

(b) The contractor shall include the following statement on deliveries of hardware, software, and data products, including diskettes, made under this contract: [product description, part/catalog number, other identifier, and serial number, if any]

“This product has been scanned for known viruses using [name of virus-screening product, including version number, if any] and is certified to be free of known viruses at the time of delivery.”

I The Contracting Officer may assess monetary damages against the contractor sufficient to compensate HUD for actual or estimated costs resulting from computer virus damage or malicious destruction of computer information arising from the contractor’s failure to take adequate precautions to preclude delivery of virus-containing products in the delivery of hardware, software, or data on diskettes under this contract.

(d) This clause shall not subrogate the rights of the Government under any other clause of this contract.

**Attachment 2: Email for First Inspection Date Confirmation**

Subject Line: First Attempt – Physical Inspection of [*insert property name and property ID and Inspection ID*]

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Name of Property Owner  
Property Name  
Property Address  
City, State  
Inspection #, Property ID

Dear [*name of property owner*]:

This confirms our phone conversation with [*property representative's name*] on [*date of scheduling call*] that the referenced property is scheduled for inspection beginning at [*time*] on [*date*], through [*time*] on [*date*]. Please note that the inspection duration will not include weekends or [*insert any Federal holiday falling during the inspection period*]. This is considered your first inspection opportunity, and our company has notified the Real Estate Assessment Center (REAC) of the above-mentioned inspection date, as required by our contract.

Regarding the COVID-19 pandemic and the upcoming REAC inspection, the following was confirmed during our conversation:

- X   There are no reported COVID19 conditions at the property
- X   The Property representative accompanying the inspector will wear Personal Protection Equipment (PPE)
- Other: (Insert additional requirements due to local ordinances, if any)

It is imperative that you contact our company **and** HUD immediately at: [COVID19InspectionInquiry@hud.gov](mailto:COVID19InspectionInquiry@hud.gov) if any of the above-mentioned conditions relating to COVID19 change.

**Effective March 25, 2019**, if the POA/ED declines, cancels, or refuses entry to the property, REAC will issue a presumptive score of “0” (zero) and a new inspection date will be set within seven

days. If that second attempt does not result in a successful inspection due to refusal or other actions of the property representative or no escort available, the inspection will be reported as unsuccessful and REAC will release the inspection with a zero score. The zero score will be considered the inspection of record.

If you are requesting a postponement because of substantial rehabilitation, the inspection is expected to continue as scheduled, unless the waiver/postponement request is approved by HUD prior to the inspection date. Please be aware that you may appeal any observed deficiency that would be repaired as a direct result of rehabilitation work under contract, and points will be restored if the appeal is approved. Guidance on appealing deficiencies is provided at: [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/products/pass/pass\\_guideandrule](https://www.hud.gov/program_offices/public_indian_housing/reac/products/pass/pass_guideandrule)

The inspection will include the entire property: project grounds, common areas, office, maintenance work areas, laundry rooms, community room, etc., and a sample of buildings and units selected at random. On the day of the inspection, the inspector will verify data provided on the property profile, as per our previous discussion. In order to ensure a successful inspection, please do the following:

- provide the required written notice of the inspection to your residents that includes: the agreed upon inspection dates (beginning and ending dates) **and an additional five business days following the last day of the inspection for a Quality Assurance Inspection (QAI) and any other quality assurance activities HUD may require for a total inspection period of eight business days**. It is not necessary for the tenants of units selected for inspection to be present during this inspection.
- make certain that your representative accompanies the inspector the entire time while on-site. Your representative should be prepared to provide access to all units identified in the inspection (when the tenant is not present or the unit is vacant) and all other areas of the property (e.g., maintenance facilities, offices). The inspector will inform your representative of the units that have been selected for inspection on the day of the inspection, which is the result of a sample drawn on-site.
- have available the following information to assist with the verification:
  - Total number of buildings and number of units within each building;
  - The unique building identifier (i.e., the address or some other identifier that will enable the identification of each building for future inspections);
  - All applicable certifications, including inspections of elevators, sprinkler systems, fire alarms, and boilers; lead-based paint testing certification and HUD's disclosure form (Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards) for housing built prior to 1978 (including elderly properties) are also required;
  - Current rent-roll (used for reference only, rent amounts are not necessary);
  - Site-map or plot plan showing property layout and building locations, if available;
  - Total square footage of the Parking Lots/Driveways/Roads and Walkways/Steps; if you do not provide these area measurements at the time of the inspection, I will provide an estimate of the square footages to HUD;

- Current occupancy percentage rate; and
- Copy of written notification to the residents of the inspection.

Please be advised that the terms of my contract with HUD do not permit me or the inspector to discuss with you or your representative, any observed deficiencies or provide advice on deficiencies during the inspection. We appreciate that you may have different views regarding the deficiency definitions, but the inspector must classify deficiencies in accordance with HUD's established inspection protocol. Differences of opinion regarding the facts of the inspection may be discussed with HUD staff later.

HUD's Offices of Housing and Public Housing require that all exigent health and safety hazards be mitigated immediately. An exigent hazard is one that poses an immediate threat to life, health or property. During the inspection, the inspector will record all health and safety hazards. Before leaving the property, the inspector will provide your representative with a written list of all such health and safety hazards and ask your representative to sign the form to acknowledge receipt. The signature only acknowledges receipt of the form and does not indicate the representative's or your concurrence with its contents.

Be advised that HUD REAC may conduct a Quality Assurance (QA) inspection to verify the results of the inspection. If your property is selected, the QA inspection may occur on the day of the scheduled inspection or within 30 days. If your property is selected, your cooperation will be required and is appreciated.

Please reply to this email message to confirm receipt. **If you do not reply it is assumed that you have accepted the inspection schedule.** If you have additional questions, please contact me by email or at *[insert phone number]*.

I wish to thank you and your staff in advance for your help with this inspection.

Sincerely,

Contractor Name – PIH-REAC Inspector #

cc: [inspectionschedules@hud.gov](mailto:inspectionschedules@hud.gov)

## LEAD PAINT: BAD IN SCHOOLS, HOSPITALS, APARTMENTS OR ANYWHERE CHILDREN MAY BE PRESENT.

Many contractors and maintenance workers who have been on the job for years believe they know all about the dangers of old lead paint. Others think lead paint isn't really a problem unless you're in a lead paint area.

That's why it's so hard to know the facts about lead paint and how disturbing it can be. Without proper training, people in your building, especially children,

if your job is to renovate, remodel, or repair old buildings, you need to know the facts about lead paint. Know it, so it can't harm children, contractors, and how to make your work safer. Remember that in doing the right thing.



## THE TRUTH ABOUT LEAD PAINT POISONING.

Lead paint is an invisible danger. Here are some facts about lead paint poisoning that you need to know:

- Millions have been affected by lead paint poisoning in the home. Lead paint is a major source of lead exposure, such as when children ingest lead dust or paint chips.
- New cases of childhood lead paint poisoning are diagnosed every year. Many more could go unreported.
- Recent research shows that new cases can be directly linked to renovations where the work environment was inadequately contained.
- Adults exposed to lead paint can suffer from high blood pressure, headaches, dizziness, diminished motor skills, fatigue and memory loss. Even small levels of exposure to lead paint can harm adults.
- It's not just lead paint chips that poison. Contractors can be caused by only a little bit of dust that is easily absorbed by anyone who inhales or ingests it.
- Once poisoned, it's too late and can never be reversed.



IF YOU'RE NOT  
LEAD-SAFE CERTIFIED,  
DISTURBING  
JUST SIX  
SQUARE FEET  
COULD COST YOU  
BIG TIME.

Building Managers: Make sure you or your contractor is Lead-Safe Certified.



### WHERE DOES THE LEAD DANGER COME FROM TODAY?

In earlier decades, the fear of children eating lead paint chips was the main concern when it came to poisoning. But now there's research that shows that the most common way to get lead in the body is from inhaling or ingesting microscopic dust.

Renovation creates dust. Common renovation activities, like sanding, cutting and demolishing, can create microscopic lead dust and chips. Proper work practices can protect the people in your building, especially children, from this dust.

One for small jobs, the key is to use lead-safe work practices such as containing dust inside the work area, using dust-reducing work methods and conducting a careful cleanup. It also means keeping people out of the work area. Most important, it means making sure that anyone who does work in your building is Lead-Safe Certified.



EPA regulations now mandate that any contractor or maintenance staff, from plumbers to electricians to painters, who disturb more than six square feet of lead paint, replaces windows or does any demolition while working in a pre-1978 home, school or day care center, must now be Lead-Safe Certified and trained in lead-safe work practices. If not, you could face fines of thousands of dollars in fines. These regulations are now the standard of care for the industry and complying with them will reduce your chance of being involved in potentially expensive lawsuits.

### HOW DO I CHOOSE THE RIGHT CONTRACTOR?

As a property manager or person in the position of authority to choose who renovates your hospital, child-care facility, school or apartment, it is your responsibility to choose a contractor who is Lead-Safe Certified.

Here are a few helpful tips:

- Ask if the contractor is trained to perform lead-safe work practices and ask to see a copy of their EPA training certificate.
- Make sure your contractor can explain clearly the details of the job and how they will minimize lead hazards during the work process.
- Ask what lead-safe methods will be used to set up and perform the job in your hospital, child-care facility, school or apartment.
- Ask for references from at least three recent jobs involving buildings built before 1978 and speak to each personally.
- Always make sure the contract is clear about how the work will be set up, performed and cleaned.

You can verify that a contractor is certified by checking the EPA website at [www.epa.gov/leadcert](http://www.epa.gov/leadcert) or by calling the National Lead Information Center at 1-800-424-6343 (5243). You can also ask to see a copy of the contractor's firm certification.

### DOES MY STAFF HAVE TO BE LEAD-SAFE CERTIFIED?

Federal law requires that if you or someone on your staff is performing the work you hire must be Lead-Safe Certified and your staff trained in lead-safe work practices. If not, you could face one of the worst of fates in fines. Plus, you put the health of your staff, your workers, and your customers at risk, which could result in lawsuits.

These work practices include:

- Containing the work area.
- Avoiding renovation and work that generates large amounts of lead-contaminated dust.
- Cleaning up thoroughly.

### GETTING YOUR LEAD-SAFE CERTIFICATION.

- To become certified, individuals must attend a full-day Renovation, Repair and Painting (RRP) Course. The price for this course is set by private trainers accredited by the EPA. To find an accredited trainer near you, visit [www.epa.gov/leadcert](http://www.epa.gov/leadcert) or call 1-800-424-6343.
- Your firm also needs to register with the EPA and pay \$300 to receive official certification.
- To help you through this new regulation, there is a wealth of downloadable support information on our website, [www.epa.gov/leadcert](http://www.epa.gov/leadcert).



**Attachment 2a: Email Reminder for First Inspection Date**

Subject Line: REMINDER – Your Upcoming Physical Inspection of [insert property name and property ID and Inspection ID]

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Name of Property Owner  
Property Name  
Property Address  
City, State  
Inspection #, Property ID

Dear [name of property owner]:

This is a reminder that your inspection for the above-reference property is scheduled for [enter date] through [enter end date]. Inspector [Name] will be there at [date/time]. *Please be sure the notification to residents includes the start and end dates of the inspection **and an additional five business days following the end of the inspection for a Quality Assurance Inspection (QAI) and any quality assurance activities by HUD, for a total inspection period of eight business days.***

Regarding the COVID-19 pandemic and the upcoming REAC inspection, the following was confirmed during our conversation:

☒ There are no reported COVID19 conditions at the property

☒ The Property representative accompanying the inspector will wear Personal Protection Equipment (PPE) and social distance throughout the inspection.

☐ Other: (Insert additional requirements due to local ordinances, if any)

It is imperative that you contact our company and HUD immediately at:

[COVID19InspectionInquiry@hud.gov](mailto:COVID19InspectionInquiry@hud.gov) if any of the above-mentioned conditions relating to COVID19 change.

Please ensure that the residents have been notified for the entire duration. The property representative should be prepared to provide access to the sample units and all other areas of the property. The escort should also have available all applicable certifications; current rent-roll; occupancy rate; copy of the resident notification; total square footage of any parking lots, driveways, roads, walkways, steps; and if available, site-map or plot plan showing property layout and building locations.

Please keep in mind that in accordance with HUD's policy, this is your first inspection opportunity. If the property representative declines, cancels, or refuses entry to the property, REAC will issue a presumptive score of "0" (zero) and a new **inspection date will be set within seven days.**

If you have received approval from HUD for a postponement or cancelation, please let me know to prevent the presumptive score of zero.

We look forward to the inspection.

### **Attachment 3: Email for Second Inspection Date Confirmation**

Subject Line: Second Attempt – Physical Inspection of *[insert property name and property ID and Inspection ID]*

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Name of Property Owner  
Property Name  
Property Address  
City, State  
Inspection #, Property ID

Dear *[name of property owner]*:

This confirms our phone conversation with *[property representative's name]* on *[date of notification]* that the referenced property is scheduled for inspection beginning at *[time]* on *[date]*, through *[time]* on *[date]*. Please note that the inspection duration will not include weekends or *[insert any Federal holiday falling during the inspection period]*. Since you declined the first inspection date of *[date provided]*, this is considered your second inspection opportunity, and our company has notified the Real Estate Assessment Center (REAC) that the above-mentioned inspection date is your second inspection opportunity, as required by our contract.

Regarding the COVID-19 pandemic and the upcoming REAC inspection, the following was confirmed during our conversation:

- ☒ X There are no reported COVID19 conditions at the property
- ☒ X The Property representative accompanying the inspector will wear Personal Protection Equipment (PPE)
- ☐ Other: (Insert additional requirements due to local ordinances, if any)

It is imperative that you contact our company and HUD at: [COVID19InspectionInquiry@hud.gov](mailto:COVID19InspectionInquiry@hud.gov) if any of the above-mentioned conditions relating to COVID19 change.

**Effective March 25, 2019**, properties will be given two opportunities for an inspection. As this is the second opportunity for your property, if it does not result in a successful inspection due to refusal of the property representative or no escort available, the inspection will be reported as unsuccessful and HUD REAC will release the inspection with a zero score. The zero score will be considered the inspection of record.

If you are requesting a postponement because of substantial rehabilitation, the inspection is expected to continue as scheduled, unless the waiver/postponement request is approved by HUD prior to the inspection date. Please be aware that you may appeal any observed deficiency that would be repaired as a direct result of rehabilitation work under contract, and points will be restored if the appeal is

approved. Guidance on appealing deficiencies is provided at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/reac/products/pass/pass\\_guideandrule](https://www.hud.gov/program_offices/public_indian_housing/reac/products/pass/pass_guideandrule)

The inspection will include the entire property: project grounds, common areas, office, maintenance work areas, laundry rooms, community room, etc., and a sample of buildings and units selected at random. On the day of the inspection, the inspector will verify data provided on the property profile, as per our previous discussion. In order to ensure a successful inspection, please do the following:

- provide the required written notice of the inspection to your residents that includes: the agreed upon inspection dates (beginning and ending dates) **and an additional five business days following the last day of the inspection for a Quality Assurance Inspection (QAI) and any quality assurance activities HUD may require for a total inspection period of eight consecutive business days.** It is not necessary for the tenants of units selected for inspection to be present during this inspection.
- make certain that your representative accompanies the inspector the entire time while on-site. Your representative should be prepared to provide access to all units identified in the inspection (when the tenant is not present or the unit is vacant) and all other areas of the property (e.g., maintenance facilities, offices). The inspector will inform your representative of the units that have been selected for inspection on the day of the inspection, which is the result of a sample drawn on-site.
- have available the following information to assist with the verification:
  - Total number of buildings and number of units within each building;
  - The unique building identifier (i.e., the address or some other identifier that will enable the identification of each building for future inspections);
  - All applicable certifications, including inspections of elevators, sprinkler systems, fire alarms, and boilers; lead-based paint testing certification and HUD's disclosure form (Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards) for housing built prior to 1978 (including elderly properties) are also required;
  - Current rent-roll (used for reference only, rent amounts are not necessary); Site-map or plot plan showing property layout and building locations, if available;
  - Total square footage of the Parking Lots/Driveways/Roads and Walkways/Steps; if you do not provide these area measurements at the time of the inspection, I will provide an estimate of the square footages to HUD;
  - Current occupancy percentage rate; and
  - Copy of written notification to the residents of the inspection.

Please be advised that the terms of my contract with HUD do not permit me or the inspector to discuss with you or your representative, any observed deficiencies or provide advice on deficiencies during the inspection. We appreciate that you may have different views regarding the deficiency definitions, but the inspector must classify deficiencies in accordance with HUD's established inspection

protocol. Differences of opinion regarding the facts of the inspection may be discussed with HUD staff later.

HUD's Offices of Housing and Public Housing require that all exigent health and safety hazards be mitigated immediately. An exigent hazard is one that poses an immediate threat to life, health or property. During the inspection, the inspector will record all health and safety hazards. Before leaving the property, the inspector will provide your representative with a written list of all such health and safety hazards and ask your representative to sign the form to acknowledge receipt. The signature only acknowledges receipt of the form and does not indicate the representative's or your concurrence with its contents.

Be advised that HUD REAC may conduct a Quality Assurance (QA) inspection to verify the results of the inspection. If your property is selected, the QA inspection may occur on the day of the scheduled inspection or within 30 days. If your property is selected, your cooperation will be required and is appreciated.

Please reply to this email message to confirm receipt. **If you do not reply it is assumed that you have accepted the inspection schedule.** If you have additional questions, please contact me by email or at *[insert phone number]*.

I wish to thank you and your staff in advance for your help with this inspection.

Sincerely,

Contractor Name – PIH-REAC Inspector #

cc: [inspectionsschedules@hud.gov](mailto:inspectionsschedules@hud.gov)

## LEAD PAINT: BAD IN SCHOOLS, HOSPITALS, APARTMENTS OR ANYWHERE CHILDREN MAY BE PRESENT.

Many contractors and maintenance workers who have been on the job for years realize they know all about the dangers of old paint. Others think lead paint poisoning simply went away years ago. It didn't.

That's why you need to know the facts about lead paint and how disturbing it poses without even realizing the danger to your building, especially children.

If your pre-1978 hospital, child-care facility, school or other building has lead paint, it's being renovated, repaired or painted, this pamphlet is for you. It's your first step about the dangers of lead paint. Know it all. It's Lead-Safe Certified contractor, and how to make sure your contractor is Lead-Safe Certified to doing the right thing.



## THE TRUTH ABOUT LEAD PAINT POISONING.

Lead paint is an invisible danger. Here are some facts about lead paint poisoning that everyone should know:

- A million kids are affected by lead paint poisoning to some level of irreversible damage, such as lower intelligence, learning disabilities and behavioral issues.
- Some cases of childhood lead paint poisoning are diagnosed every year. Many more could go unreported.
- Recent research shows that new cases can be directly linked to renovations where the work environment was inadequately contained.
- Adults exposed to lead paint can suffer from high blood pressure, headaches, dizziness, detached inner ears, fatigue and memory loss. Even small levels of exposure to lead paint can harm adults.
- It's not just lead paint chips that poison. Contamination can be caused by only a little bit of dust that is easily absorbed by anyone who inhales it.
- Once poisoned, it's far less easy to be reversed.



IF YOU'RE NOT  
LEAD-SAFE CERTIFIED,  
DISTURBING  
JUST SIX  
SQUARE FEET  
COULD COST YOU  
BIG TIME.

Building Managers: Make sure you or your contractor is Lead-Safe Certified.



### WHERE DOES THE LEAD DANGER COME FROM TODAY?

In earlier decades, the fear of children eating lead paint chips was the main concern when it came to poisoning. But over time, research has shown that the most common way to get lead in the body is from inhaling or ingesting microscopic dust.

Renovation creates dust. Careless renovation activities like sanding, cutting or demolishing can create hazardous lead dust and chips. Proper work practices can protect the people in your building, especially children, from this dust.

Even for small jobs, the key is to use lead-safe work practices such as containing dust inside the work area, using dust-minimizing work methods and conducting a careful cleanup. It also means keeping people out of the work area. Most important, it means making sure that anyone who does work in your building is Lead-Safe Certified.



EPA regulations now mandate that any contractor or maintenance staff, from plumbers to electricians to painters, who disturbs more than six square feet of lead paint, replaces windows or does any demolition while working in a pre-1978 home, school or day-care center, must now be Lead-Safe Certified and trained in lead-safe work practices. If not, you could face tens of thousands of dollars in fines. These regulations are now the standard of care for the industry and complying with them will reduce your chance of being involved in potentially expensive lawsuits.

### HOW DO I CHOOSE THE RIGHT CONTRACTOR?

As a property manager or person in the position of authority to hire someone to renovate your hospital, child-care facility, school or apartment, it is your responsibility to choose a contractor who is Lead-Safe Certified.

Here are a few helpful tips:

- Ask if the contractor is trained to perform lead-safe work practices and ask to see a copy of their EPA training certificate.
- Make sure your contractor can explain clearly the details of the job and how they will minimize lead hazards during the work process.
- Ask what lead-safe methods will be used to set up and perform the job in your hospital, child-care facility, school or apartment.
- Ask for references from at least three recent jobs involving buildings built before 1978 and speak to each personally.
- Always make sure the contract is clear about how the work will be set up, performed and cleaned.
- You can verify that a contractor is certified by checking the EPA website at [www.epa.gov/lead](http://www.epa.gov/lead) or by calling the National Lead Information Center at 1-800-424-LEAD (5323). You can also ask to see a copy of the contractor's lead certification.

### DOES MY STAFF HAVE TO BE LEAD-SAFE CERTIFIED?

Federal law requires that if you or someone on your staff is performing the work your firm must be Lead-Safe Certified and your staff trained in lead-safe work practices. If not, you could face tens of thousands of dollars in fines. Plus, you put the health of yourself, your workers, and your customers at risk, which could result in lawsuits.

These work practices include:

- Containing the work area
- Avoiding renovation dust back that generates large amounts of lead-contaminated dust.
- Cleaning up thoroughly

### GETTING YOUR LEAD-SAFE CERTIFICATION.

- To become certified, individuals must attend full-day Renovation, Repair and Painting (RRP) Course. The price for this course is set by private trainers accredited by the EPA. To find an accredited trainer near you, visit [www.epa.gov/lead](http://www.epa.gov/lead) or call 1-800-424-LEAD.
- Your firm also needs to register with the EPA and pay \$300 to receive official certification.
- To keep you through this new regulation, there is a wealth of downloadable support information on our website, [www.epa.gov/lead](http://www.epa.gov/lead).



### **Attachment 3a: Email Reminder for Second Inspection Date**

Subject Line: REMINDER – Your Upcoming Physical Inspection of *[insert property name and property ID and Inspection ID]*

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Name of Property Owner

Property Name

Property Address

City, State

Inspection #, Property ID

Dear *[name of property owner]*:

This is a reminder that your inspection for the above reference property is scheduled for *[enter date]* through *[enter end date]*. Inspector *[Name]* will be there at *[date/time]*. ***Please be sure the notification to residents includes the start and end dates of the inspection and an additional five business days following the end of the inspection for a Quality Assurance Inspection (QAI) and any quality assurance activities by HUD, for a total inspection period of eight business days.***

Regarding the COVID-19 pandemic and the upcoming REAC inspection, the following was confirmed during our conversation:

  X   There are no reported COVID19 conditions at the property

  X   The Property representative accompanying the inspector will wear Personal Protection Equipment (PPE)

       Other: (Insert additional requirements due to local ordinances, if any)

It is imperative that you contact our company and HUD at: [COVID19InspectionInquiry@hud.gov](mailto:COVID19InspectionInquiry@hud.gov) if any of the above-mentioned conditions relating to COVID19 change.

Please ensure that the residents have been notified. The property representative should be prepared to provide access to the sample units and all other areas of the property. The escort should also have available all applicable certifications; current rent-roll; occupancy rate; copy of the resident notification; total square footage of any parking lots, driveways, roads, walkways, steps; and if available, site-map or plot plan showing property layout and building locations.

Please keep in mind that in accordance with HUD's policy, this is your second inspection opportunity. If the property representative declines, cancels, or refuses entry to the property, the inspection will be reported as unsuccessful and HUD REAC will release the inspection with a zero score. The zero score will be considered the inspection of record.

If you have received approval from HUD for a postponement or cancelation, please let me know as soon as possible to prevent the zero score from being issued.

We look forward to the inspection.

#### **ATTACHMENT 4: CERTIFICATION OF NONDISCLOSURE**

As a condition of serving as a HUD-REAC/RAP/Contractor or UPCS Inspector, I hereby certify that I will:

- (1) Be bound by a non-disclosure agreement to ensure adherence to HUD's 14-Day Advance Notice Physical Inspection Policy;
- (2) Use the information provided to me solely for the purpose of scheduling inspections;
- (3) Not disclose this information to any individual without the express authorization and written consent of HUD-REAC;
- (4) Ensure that no one, except REAC, is given advance notification of an inspection any earlier than 14 days from the first proposed inspection date. If the first inspection date is refused, a second inspection date should be provided that is within 7 days of the first proposed date; and
- (5) Be obligated, and understand, that the unauthorized release of this information may result in the termination or limitation of my participation in the physical inspection program, and that administrative, civil, and criminal penalties may be assessed.

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Print Name

and HUD user ID

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Sign Name

and Date